

*USAID is assisting Albania's financial sector so that it is safer and sounder, better able to attract new sources of capital, and more efficient at deploying existing capital resources. This three year program utilizes leading financial, legal and regulatory experts from the Financial Services Volunteer Corps (FSVC), a U.S.-based not-for-profit private organization, that provides technical assistance to help strengthen Albania's central bank capabilities, improve commercial banking systems and build capital markets.*

*Mr. Krzysztof Grabowski, an advisor on financial markets with the Polish Financial Supervision Authority and FSVC volunteer, is spending two week in Albania to help draft an investment fund law and regulations to govern Albania's stock exchange.*

### **Interview of Mr. Krzysztof Grabowski given to ORA News TV**

**July 23, 2008**

**Journalist:** Mr. Grabowski, can you please explain to us why you are here in Albania?

**Mr. Grabowski** Some months ago, I was approached to work with USAID, through FSVC, to help developing countries like Albania with improving its financial sector, specifically addressing the question of creating capital market, stock exchange in Albania. I was approached by FSVC because I had contact before. Several years ago it was through FSVC mission in Poland that helped us in developing our market and now I am here to share my experience, to share Poland's experience in creating market, and to help you create sound stock exchange here in Albania.

**Journalist:** Do you think Albania is ready to create a capital market?

**Mr. Grabowski** I am pretty sure of that. I am sitting here for the second week and all the meetings I have had here have assured me that it's the right moment to work on creating a very good and effective stock exchange.

**Journalist:** Do you think Albania's businesses are ready to enter the capital market? Are the businesses here in Albania ready?

**Mr. Grabowski** I think so. Maybe not so many companies in the beginning, which is natural in every country, but I had several talks and meetings and I am pretty sure that at least five or ten companies are ready to be listed on the stock exchange.

**Journalist:** What it will take for the stock exchange to get up and running?

**Mr. Grabowski** First, it's necessary to create some regulations, because there is a new Securities Law in Albania. But it's very broad, so it's necessary to write and create more detailed regulations which will help create a stock exchange that will direct how to conduct business, how to conduct safe business and effective business, how to attract companies to be listed, how to attract investors to be active on the stock exchange, and how to devise transparent rules for investors safeguarding investor protection. Also very important, especially in a growing market, [is to create an exchange] that from the very beginning the market is safe and protects the rights of the shareholders.

**Journalist:** How long will this process take?

**Mr. Grabowski** This is difficult to say. Normally it takes some years, but I can tell you that some years ago I was talking to Mr. Lars Rozlucki [pronounce as rozvutzki] former President of Warsaw Stock Exchange. When we started some 18 years ago to create the Warsaw Stock Exchange he collected a small, but very effective team and they succeeded in creating the stock exchange in half a year. But afterwards, some years later, he was discussing the timeframe with someone from abroad, and he said "Well, normally it takes at least two years. Luckily we did not know that at that time, so I was able to create it in half a year." Very optimistically it could be half a year but more realistically, is to make it two years. It will also [have] very good results.

**Journalist:** What will be the advantages for the Albanian economy and Albanian businesses?

**Mr. Grabowski** It's very important [for a growing economy] to have real capital market possibilities, investments for the people, for trade investors and also for institutional investors to have possibilities of [these types of] markets. On the other side, it is very important for companies because an effective capital market and an effective stock exchange, create several possibilities of re- valuating how much the

company is worth, and the possibility of collecting money to [further] develop companies.

It's also very important from the pan-European point of view because there is a very important program in the European Union to create one global market place. But for that, it's important that you have local markets that are dealing with local companies, with local investors, so both have possibilities of investing and earning money locally, while also giving free access to the global market; for both Albanian investors to access European markets and for foreign investors to invest money in Albania for growing Albania's economy. That's important. It's very important that all the processes are organized in a safe way, effectively, so that there is proper disclosure of information.

It's also very important and, a not so easy task, for companies that want to be listed, because such companies must be much more open with information and what's going on inside [their companies]. But this is very important for the future of companies because it's like free advertisement. A company which is listed on the stock exchange is advertised throughout the whole country, the whole Europe.

**Journalist:** What will be the economic advantages?

**Mr. Grabowski** Some benefits, well, if companies can develop, new companies can also be created. It's profitable for the whole economy. It [makes it] easy to collect money for creating new companies, and [those] companies are much more transparent. Companies are growing, so the earnings of the companies are growing; the salaries of people who are working for the companies are also growing. If companies are developing, people who are investing in the stock exchange are also earning money. They earn money which they can invest in different places, in creating new companies, new places of work, new employment. So it's really, really important. I can say from the Poland's experience – it created a lot of places for employment and our earnings [have begun] to grow.

**Journalist:** Last, when do you think Albania will have a capital market here?

**Mr. Grabowski** That's [the question]. I hope that next year you will have at least some beginnings. So, you see, when you have beginnings of a capital market you start

thinking more globally. You start thinking not only of law requirements but also what's called corporate governance. I hope next year you will have the stock exchange working with the first companies listed, [which] will open the way for thinking globally on corporate governance. This is a self-regulating approach so you will realize that it's important to have good laws, but what's much more important is that you start to think that not only law is necessary but your way of thinking, your openness to business, to creating markets, to creating transparent markets.

What's very important, is that you can assure your investors that their investments are safe, that they will not loose money through silly steps, so that they can invest in a sound way, with the perspective of really earning money. A stock exchange is not gambling. Sometimes you may loose only some money, not all the money, and its normal that sometimes it's a bessa [means when prices go down for long period of time ]and you are is loosing money, but you are sure that there will be a hossa [prices go up for long period of time] for the whole market, for the whole economy.

**Journalist:** Thank you!